

International Ethanol Opportunities and Barriers



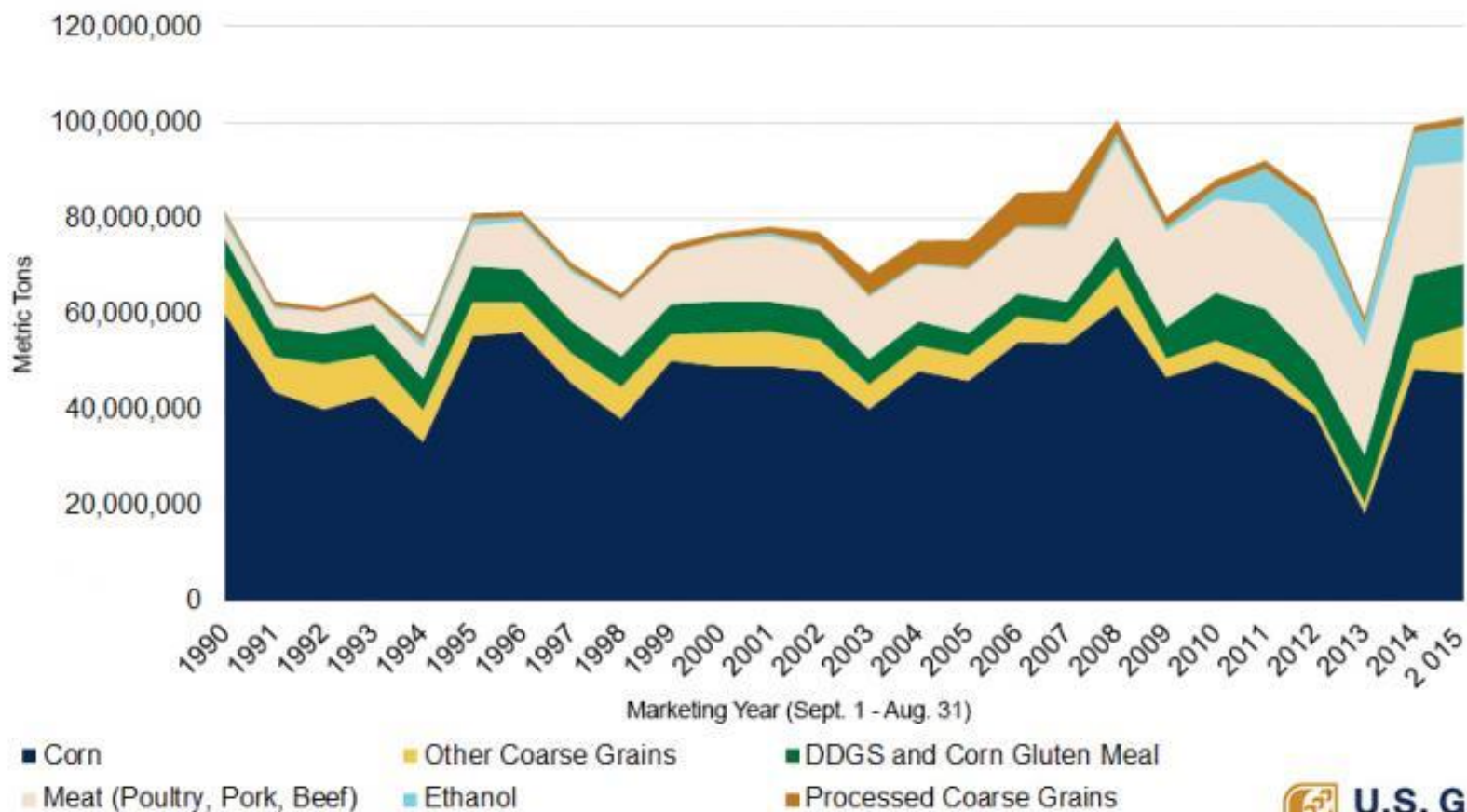
U.S. GRAINS
COUNCIL

Ashley Kongs,
Manager of Ethanol
Export Programs

Developing markets. >> Enabling trade. >> Improving lives.

Big Picture: Exports In All Forms

Feed Grain Exports In All Forms



Key Issues

Lack of
mandates and
enforcement

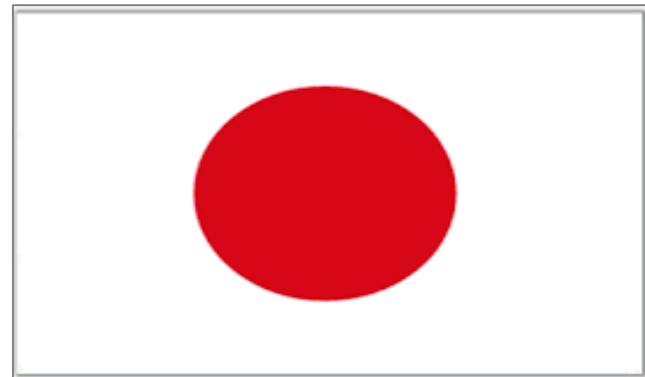
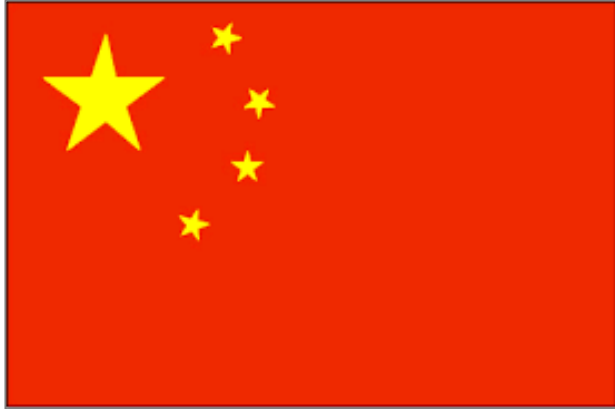
Protectionist
policies

Infrastructure
challenges

Preference for
other
oxygenates

Bias against
corn-based
ethanol

2016 and 2017: Key Markets



Why These Markets?

Growing Car
Ownership



Increased Fuel
Demand



Room for Growth in
Inclusion Rates

AND

Serious Air Quality Issues
+
Desire to Reduce Greenhouse Gas
from Tailpipe Emissions

Approaches

1. Work with governments to develop and enforce blend mandates.
2. Encourage stable policies that build the confidence of ethanol infrastructure investors.
3. Include local feedstock producers in policy work.
4. Eliminate policy bias against U.S. corn-based ethanol.
5. Emphasize that imports of ethanol displace fossil fuel imports, not domestic ethanol production.
6. Educate foreign governments on benefits of ethanol use.

Our Approach in India & China:

Ethanol ≠ A Threat to Development
of Domestic Ethanol Industry

Ethanol = A Clean Energy Import
Replacing Carbon-Intensive
Petroleum

In Mexico, Ethanol Replaces Gasoline

Mexico is a Net Exporter of Petroleum BUT a Net Importer of Gasoline

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graph TD; A([Increases in Ethanol Imports]) --> B([Decreases in Imports of Gasoline]);
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Increases in Ethanol Imports

Decreases in Imports of Gasoline

2016 and 2017 Core Activities



Acknowledging Domestic Ambitions

Fact: Nations with mandates will seek to fulfill demand with domestic production.

How do we approach market development?:

Highlight
Government
Commitment to
Reducing GHG
by Implementing
and Enforcing
Mandates



Gives Foreign
and Domestic
Investors the
Confidence to
Invest and Build
New Facilities to
Fill Demand



In the Process:
Support Local
and International
Feedstock
Producers

Desired Outcomes

China

implementing an
E-5 to E-10 blend
rate nationwide

India

implementing an
E10-E20 blend rate
nationwide

Mexico

implementing an
E10-E15 blend rate
nationwide

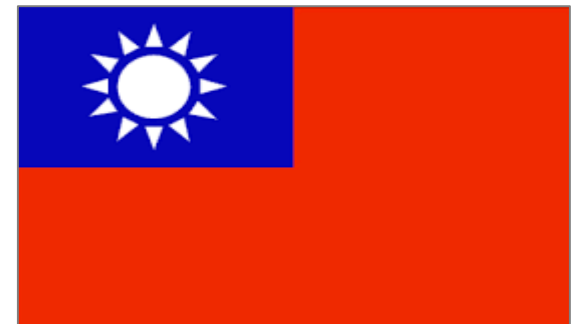
Japan

modifying GHG
criteria to allow U.S.
ethanol in ETBE

Other, smaller markets

achieve higher
blend rates

Other Key Markets



- Peru - tendered for one ship/month after team visit
 - 10 million gallons, \$15 million
 - Contacts impressed with USGC programs
- China imported 97.9 million gallons of ethanol between September and February.
- Conversations in Japan led to progress on GHG calculation project
- GSM approved for ethanol sales
 - \$2 billion unused last year

To learn more about the U.S. Grains Council's work on DDGS market development efforts, please contact:

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